

Shasta LAFCO

Shasta Local Agency Formation Commission

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MINUTES

Regular Meeting – October 2nd, 2008

(These Minutes are not intended to be a verbatim transcription of the proceedings and discussion associated with the business on the Commission's agenda; rather, what follows is a summary of the order of business and general nature of testimony, Commission deliberation, and action taken.)

CALL TO ORDER/ROLL CALL/INTRODUCTIONS

Chairman Webster called the meeting to order at 9:00 a.m. at the City of Anderson Council Chambers, 1887 Howard Street, Anderson, CA. Commissioners Farr, Fust, Gover, Morgan and Webster were present. Commissioners Baugh, Haynes & Kehoe were absent. Executive Officer Mickelson, Counsel Johnson and Mary Hill (subbing for Clerk Smith) were present as staff.

PLEDGE OF ALLEGIANCE

Commissioner Gover led the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment submitted.

MINUTES

The minutes of September 18, 2008 were presented. By motion made and seconded (Fust, Gover), the Commission approved the September 18, 2008 minutes as amended. Amendments included; correction of typo on page 2, additional language added under Commissioner Announcements, and the replacement of Baugh with Fust as the Commissioner who led the pledge of allegiance.

BUDGET & FISCAL AFFAIRS:

Review of Unbudgeted Invoice from Shasta County, Authorize Budget Transfer and Payment

Ms. Mickelson reported that as staff was preparing to withdraw remaining funds from the County of Shasta in early August, we received a call from the County Administrative Office informing us that LAFCO owed the County

\$3,696.72 for a Worker's Compensation claim that was filed when we were still under contract with the County (April of 2006).

As this was an unknown liability, the Executive Officer asked them to prepare a written report that included the facts of the situation and to please forward that to LAFCO for review. A letter was then sent to LAFCO Counsel on August 26, 2008 from County Counsel in response. That letter is provided to the Commission as a confidential attachment to this staff report.

LAFCO Counsel has reviewed the letter drafted by County Counsel, as well as the prior contract for services between the County of Shasta and Shasta LAFCO and agrees that LAFCO is indeed responsible for the payment of the invoice.

Discussion followed.

By motion made and seconded (Farr, Morgan), the Commission authorized the payment amount of \$3,696.72 for the Worker's Compensation claim, as well as the transfer of necessary funds from Budget Reserves to a new budget line item entitled, "Risk Management Claim".

CHANGES OF ORGANIZATION AN/OR REORGANIZATION

Changes of Organization and/or Reorganization

Ms. Mickelson brought before the Commission a proposal to annex contiguous territory to Centerville CSD. She also provided the Commission with a revised map showing the new boundary lines for Centerville CSD. The Centerville CSD has submitted an application to LAFCO requesting initiation of proceedings for reorganization, which would annex territory to the Centerville Community Services District and concurrently detach from Shasta Community Services District. The proposal would also concurrently amend the Spheres of Influence of each of the agencies.

The purpose of the reorganization is to extend District services to a proposed development of several single family dwellings. The proposed service area encompasses 7 parcels, totaling approximately 390 acres. The proposal area is located in the northern portion of the District and near the intersection of Lower Springs Road and Swasey Drive.

This is an uninhabited, 100% consent application and almost fully within the adopted Centerville CSD Sphere of Influence. The only portion of Sphere adjustment requested is to include the .5 acres being annexed from Shasta Community Services District.

Ms. Mickelson reported that on September 30, 2008 LAFCO received correspondence from Mr. Kurt Born of Clear Creek CSD regarding this reorganization. Mr. Born had not been provided with any information on this reorganization with the exception of the LAFCO agenda that is regularly mailed to him. He requested the opportunity to examine the impacts on the treatment capacity for this project and set up a meeting with Centerville CSD's engineer and supervisor to assure sufficient treatment capacity.

Discussion followed.

Both Mr. Born of Clear Creek CSD and Mr. Browning of Centerville CSD agreed to meet in order to resolve this issue and both were supportive of moving this item a November or December meeting.

By motion made and seconded (Fust, Farr) the Commission continued this item to the next meeting.

OPERATIONS & ADMINISTRATION

Review and Consider Audit Proposal

Ms. Mickelson reminded the Commission that at the September meeting, the Commission requested two additional items from Hathaway & Ksenzulak, LLP to be considered. First, they requested cancellation language to be inserted into the proposed contract and forwarded to LAFCO Counsel for review. Second, they requested that a biennial audit proposal be considered as well. The discussion was then tabled until those items could be presented and considered with the original offer for services.

Counsel Johnson stated that she has looked over the cancellation policy and approved of the policy.

Ms. Mickelson explained that while LAFCO can choose to have a biennial audit, the firm would still be required to go over every item that is based on a beginning balance.

Ms. Karina Lapp, a partner with Hathaway & Ksenzulak, LLP, explained that the only savings in doing a biennial audit would be administrative fees since both years would still need to be audited and that cost would remain the same. Ms. Lapp recommended a biennial audit after their firm had prepared an annual audit for LAFCO.

Ms. Mickelson recommended LAFCO having an audit completed for the 2007/2008 fiscal year due to the changes that LAFCO has made with their accounting system.

By motion made and seconded (Farr, Morgan) the Commission approved the contract with Hathaway & Ksenzulak, LLP for audit services on an annual basis for the first year and will re-evaluate a biennial audit at a later date.

COMMISSIONER ANNOUNCEMENTS

Commissioner Morgan thanked Commissioner Haynes for contacting him so he could serve as an Alternate Commissioner. He also announced that it was Fire Prevention Week with a dinner being held by Shasta FPD on October 5th at 4:00 pm.

Commissioner Gover announced that he would be gone for three months and would return in early February.

STAFF ANNOUNCEMENTS

The next LAFCO meeting will be at 9:00 a.m. on November 6, 2008 at the City of Redding if the Centerville proposal is ready to be continued at that point, otherwise, the next regular meeting will be on December 4, 2008, location TBD.

ADJOURNMENT

There being no further business, Chairman Webster adjourned the meeting at 10:13 a.m.

Respectfully submitted,

Amy Mickelson
Clerk to the Commission

Date